

EXHIBIT C

Assumption Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: FIELDWOOD ENERGY LLC, <i>et al.</i>, Debtors.¹	§ § § § § § §	Chapter 11 Case No. 20-33948 (MI) (Jointly Administered)
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**DECLARATION OF MICHAEL DANE IN SUPPORT
OF MOTION OF DEBTORS FOR ENTRY OF ORDER
(I) APPROVING DEBTORS' ENTRY INTO SUBLEASE AMENDMENT
AND (II) AUTHORIZING DEBTORS' ASSUMPTION OF SUBLEASE**

I, Michael Dane, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Senior Vice President and Chief Financial Officer of Fieldwood Energy LLC (“**Fieldwood**”; collectively with its parent company Fieldwood Energy Inc. and certain of its direct and indirect subsidiaries, the “**Debtors**”). I submit this declaration (“**Declaration**”)² on behalf of the Debtors in support of the *Motion of Debtors for Entry of Order (I) Approving Debtors' Entry Into Sublease Amendment and (II) Authorizing Debtors' Assumption*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422). The Debtors' primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

² Additional information regarding my background and qualifications can be found in my prior declaration, filed with the Court on August 4, 2020 [Docket No. 29].

of *Sublease* (the “**Motion**”), filed concurrently with this Declaration, which seeks relief intended to maximize value for the benefit of all of the Debtors stakeholders.³

2. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by other employees of the Debtors, my opinion based upon my experience, knowledge, and information concerning the Debtors’ operations and financial condition, or from my discussions with the Debtors’ advisors.

3. I am knowledgeable about and familiar with the Debtors’ business and financial affairs. I am authorized to submit this Declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

The Motion

4. Pursuant to the Motion, the Debtors are requesting entry of an order approving the Debtors’ entry into the Sublease Amendment and authorizing the Debtors’ assumption of the Sublease and payment of the Cure Amounts, effective as of the Effective Date.

5. For the reasons set forth in this Declaration and in the Motion, I believe that the relief requested is in the best interests of the Debtors, their estates, and all other parties in interest, and should be granted.

Sublease

6. Behringer Harvard Briarlake Plaza LP and Apache (as successor-in-interest to Mariner Energy, Inc.) are parties to that certain Office Lease Agreement dated August 17, 2007, as amended, concerning 204,419 rentable square feet (the “**Leased Premises**”) in the building

³ The facts set forth in the Motion are incorporated by reference herein. Capitalized terms used but not otherwise defined in this Declaration shall have the meanings ascribed to them in the Motion.

known as One BriarLake Plaza located at 2000 West Sam Houston Parkway South, Houston, Texas.

7. On September 30, 2013, Apache and Fieldwood entered into the Sublease Agreement, pursuant to which Fieldwood sublet 77,595 square feet of net rentable area of the Leased Premises from Apache (the “**Subleased Premises**”).

8. In connection with the Apache Definitive Documents, Apache and Fieldwood agreed to certain modifications to the Sublease Agreement, as set forth in the Sublease Amendment, pursuant to which Fieldwood will pay a substantially reduced rental rate to Apache and which contains favorable termination rights for Fieldwood. The Sublease Amendment amends the Sublease Agreement, in relevant part, as follows:⁴

- **Term.** The Sublease Term will expire on October 31, 2024, unless terminated earlier pursuant to the terms of the Sublease, as amended by the Sublease Amendment.
- **Termination Rights.** Fieldwood will have the right and option to terminate the Sublease Term as follows (subject to the notice requirements set forth in the Sublease Amendment):
 - as to any of (i) all of floor 12 of the Subleased Premises, (ii) all of floor 15 of the Subleased Premises, or (iii) Suite B0300 in the basement level of the Subleased Premises, with any such termination in the case of (i), (ii), and (iii) being effective no earlier than after occurrence of each of (1) effectiveness of Sublessee’s Plan of Reorganization (as defined therein), (2) consummation of the Credit Bid Transaction (as defined therein), (3) consummation of the transactions contemplated by the Divisive Merger Documents (as defined therein), (4) the second anniversary of the Effective Date, and (5) timely delivery of Requisite Notice (as defined therein).
 - as to any of (i) all of floor 16 of the Subleased Premises, (ii) all of floor 17 of the Subleased Premises, (iii) all of floor 18 of the Subleased Premises, (iv) Suite B0150 in the basement level of the Subleased Premises, or (v) Suite B0200 in the basement level of the Subleased

⁴ Any summary of the terms of the Sublease Amendment in this Motion is qualified in its entirety by reference to the provisions of the Sublease Amendment.

Premises, with any such termination in the case of (i), (ii), (iii), and (iv) being effective no earlier than after occurrence of each of (1) effectiveness of the Sublessee's Plan of Reorganization, (2) the consummation of the Credit Bid Transaction, (3) consummation of the transactions contemplated by the Divisive Merger Documents, (4) termination of the Transition Services Agreement (as defined therein), (5) termination of the Service Provider Agreement (as defined therein), if any, and (6) timely delivery of Requisite Notice.

- **Rent Reduction.** On and as of the Effective Date, the Base Rent amount owed by Fieldwood will be reduced as follows:

Subleased Premises	Current Annual Base Rent/ Sq. Ft	Amended Annual Base Rent/ Sq. Ft.	Current Amount/ Month	Amended Amount/ Month	Savings Per Month
Floor 12	\$29.00	\$10.00	\$59,527.33	\$20,526.67	\$39,000.66
Floor 15	\$10.00	\$10.00	\$21,554.17	\$21,554.17	\$0.00
Floor 16	\$29.00	\$10.00	\$62,507.08	\$21,554.17	\$40,952.91
Floor 17	\$29.00	\$10.00	\$62,507.08	\$21,554.17	\$40,952.91
Floor 18	\$29.00	\$10.00	\$62,507.08	\$21,554.17	\$40,952.91
Suite B0300	\$15.00	\$10.00	\$4,630.00	\$3,086.67	\$1,543.33
Suite B0200	\$15.00	\$10.00	\$1,436.25	\$957.50	\$478.75
Suite B0150	\$15.00	\$10.00	\$925.00	<u>\$616.67</u>	<u>\$308.33</u>
Total			\$275,594.00	\$111,404.17	\$164,189.83

9. Additionally, as provided in the Sublease Amendment, the cure costs required to be paid in connection with assumption of the Sublease (where such cure costs are comprised of prepetition and postpetition amounts) shall include Sublessee's payment in full to Sublessor of all amounts owed by Sublessee to Sublessor pursuant to the Sublease (collectively, the "**Cure Amounts**"). Without hereby limiting Sublessee's obligations under the Sublease, as of February 8, 2021, the aggregate amount of \$51,938.79 represents the Cure Amounts, where \$25,371.30 of such amount constitutes the prepetition amounts owed by Sublessee to Sublessor

10. The Sublease Amendment further provides that (i) after the Effective Date and upon effectiveness of Sublessee's Plan of Reorganization, consummation of the Credit Bid Transaction and the transactions contemplated by the Divisive Merger Documents, full performance by Sublessee of Sublessee's obligations under the Sublease to the date of

effectiveness of the Assignment, and the FWII Assumption, Sublessee assigns to FWII (referred to as “Credit Bid Purchaser” under the Plan) the rights and delegates to FWII the duties of Sublessee under the Sublease, as amended by the Sublease Amendment (the “**Assignment**”), and (ii) upon effectiveness of the Assignment, FWII’s execution and delivery to Sublessor of the counterpart of the Sublease Amendment attached thereto shall constitute FWII’s assumption of, and FWII’s agreement to fully and timely perform the obligations of Sublessee arising from and after the date of effectiveness of the Assignment under, the Sublease, as amended to the date thereof.

Assumption of Sublease

11. The Subleased Premises are the Debtors’ main office in Houston, Texas. Continued access and use of the Subleased Premises is necessary for the operation of the Debtors’ business, as it enables the Debtors to conduct their business efficiently and productively. As noted above, the Sublease, as amended by the Sublease Amendment, provides approximately \$165,000 of monthly rental savings and favorable termination rights to the Debtors.

12. The Debtors, in their business judgment, determined that the Sublease, as amended by the Sublease Amendment, (i) is important to their business operations and (ii) preserves and enhances the value of the Debtors’ estates. The Debtors’ entry into the Sublease Amendment and assumption of the Sublease represents a sound exercise of their business judgment and will benefit the Debtors’ estates.

13. Further, not only do the Debtors intend to pay Apache the Cure Amounts in connection with assuming the Sublease, but the Debtors also have the financial resources to meet their obligations under the Sublease.

14. For the reasons set forth above, I believe the relief requested in the Motion is appropriate and should be approved.

Dated: February 10, 2021
Houston, Texas

/s/ Michael Dane

Michael Dane
Senior Vice President and
Chief Financial Officer
Fieldwood Energy LLC